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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	May 31, 2017
Estimated average burden hours per response.....	12.00

Section	SEC FILE NUMBER
MAR 0 12 2017	8-52203

Washington DC

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Joseph Grace holding Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

44 WALL STREET, 12TH FLOOR

(No. and Street)

10005

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

EDWARD TUCKER

(212) 461-2282

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

EDWARD RICHARDSON JR., CPA

(Name - if individual, state last, first, middle name)

15565 NORTHLAND DR., SUITE 508 WEST SOUTHFIELDMI48075

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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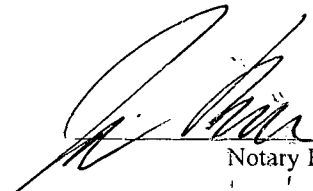
## OATH OR AFFIRMATION

I, EDWARD TUCKER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JOSEPH GRACE HOLDINGS, INC, as of DECEMBER 31, 20 16, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Signature

PRESIDENT

Title

  
Notary Public  
**JESSE BLAKE BROWN**  
Notary Public, State of New York  
No. 02BR6276297  
Qualified in New York County  
Commission Expires February 11, 2017

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3)**

**EDWARD RICHARDSON, JR., C.P.A.**

CERTIFIED PUBLIC ACCOUNTANT  
15565 Northland Drive, Suite 508 West  
Southfield, Michigan 48075

MEMBER:

MICHIGAN ASSOCIATION OF CPAs  
AMERICAN INSTITUTE OF CPAs

(248) 559-4514

Fax: (248) 559-0015

**Independent Auditor's Report**

Board of Directors  
Joseph Grace Holdings, Inc.  
44 Wall Street 12<sup>th</sup> Floor  
New York, NY 10005

**Report on the Financial Statements**

I have audited the accompanying statement of financial condition of Joseph Grace Holdings, Inc. as of December 31, 2016 and the related statements of income, changes in stockholder's equity, changes in liabilities to claims of general creditors, and cash flows for the year ended. These financial statements are the responsibility of Joseph Grace Holdings, Inc. management. My responsibility is to express an opinion on these financial statements based on my audit.

**Auditor's Responsibility**

I conducted this audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joseph Grace Holdings, Inc. as of December 31, 2016, and results of its operations and its cash flows to the year then ended in conformity with accounting principles generally accepted in the United States.

**Other Matters**

The Supplemental Information has been subjected to audit procedures performed with audit of Joseph Grace Holdings, Inc. financial statements. Supplemental Information is the responsibility of Joseph Grace Holdings, Inc.'s management. My audit procedures included determining whether the Supplemental Information reconciles to the financial statements or the underlying

accounting and other records as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Supplemental Information . In forming my opinion on the Supplemental Information, I evaluated whether the Net Capital Computation, including its form and content is presented in conformity 17 C.F.R. # 240 17a-5. In my opinion, the Net Capital Computation is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Edward Richardson Jr. CPA*

Edward Richardson Jr., CPA  
Southfield, MI. 48075  
February 10, 2017

JOSEPH GRACE HOLDINGS, INC.  
STATEMENT OF FINANCIAL CONDITION  
FOR THE YEAR ENDED DECEMBER 31, 2016

ASSETS

Cash and Cash Equivalents	\$ 520
Due from brokers	357,747
Securities owned, at fair value	1,190
Referral fee receivable	725,928
Receivables from shareholders	2,011,687
Other assets	<u>7,400</u>
 TOTAL ASSETS	 <u><u>\$ 3,104,472</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

Accounts payable and accrued expenses	\$ 865,218
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Shareholder's equity:

Common stock, no par value, 1,500 shares authorized	
1,500 shares issued and outstanding	-
Additional paid-in capital	561,915
Retained earnings	<u>1,677,339</u>
 TOTAL SHAREHOLDERS' EQUITY	 <u><u>2,239,254</u></u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 <u><u>\$ 3,104,472</u></u>

The accompanying notes are an integral part of these financial statements.

JOSEPH GRACE HOLDINGS. INC.  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES:

Agent Solicitation fees	3,056,496
Consulting income	42,000
Net gains from trading securities	1,182,830
Commission income	95,930
Interest, dividends and other income	<u>1,370</u>

TOTAL REVENUES	<u><u>4,378,626</u></u>
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EXPENSES:

Professional fees	2,901,479
Employee compensation and benefits	208,104
Rent	50,403
Office and other expenses	62,529
Information services and communications	26,779
Travel, meal and entertainment	25,873
Clearance and execution charges	1,017,617
Regulatory fees	<u>2,654</u>

TOTAL EXPENSES	<u><u>4,295,438</u></u>
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Income before provision of incomes taxes	83,188
Provision for income taxes	<u>-</u>

NET INCOME	\$ <u><u>83,188</u></u>
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The accompanying notes are an integral part of these financial statements.

JOSEPH GRACE HOLDINGS, INC.  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balances at January 1, 2016	\$ -	\$ 561,915	\$ 1,594,151	\$ 2,156,066
Net Income	<u>-</u>	<u>-</u>	<u>83,188</u>	<u>83,188</u>
Balances at December 31, 2016	<u>\$ -</u>	<u>\$ 561,915</u>	<u>\$ 1,677,339</u>	<u>\$ 2,239,254</u>

The accompanying notes are an integral part of these financial statements.

JOSEPH GRACE HOLDINGS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Flows from Operating Activities:

Net Income	\$ 83,188
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Adjustment to reconcile net income to net cash  
used in operating activities

(Increase) decrease in operating assets:

Due from brokers	\$ 26,795
Securities owned, at fair value	(220)
Referral fees receivables	(231,026)
Receivables from shareholders	(140,873)
Other assets	(400)

Increase (decrease) in operating liabilities:

Accounts payable and accrued expenses	<u>263,030</u>
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Net adjustment	<u>(82,694)</u>
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Net Cash from Operating Activities	<u>494</u>
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NET CHANGE IN CASH	494
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Cash at December 31, 2015	<u>26</u>
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Cash at December 31, 2016	<u><u>\$ 520</u></u>
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The accompanying notes are an integral part of these financial statements.



JOSEPH GRACE HOLDINGS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE A – SUMMARY OF ACCOUNTING POLICIES

Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

Joseph Grace Holdings, Inc., (the “Company”) is a registered broker-dealer with the Securities and Exchange Commission (the “SEC”) and a member of the Financial Industry Regulatory Authority, Inc. (the “FINRA”). The Company primarily trades for its own account, provides institutional and retail execution services and financial and operational consulting to other registered broker-dealers.

Description of Business

The Company, located in New York, NY, is a broker and dealer in securities registered with the Securities and Exchange Commission (“SEC”) and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belonging to the Company’s customers are held by a clearing broker-dealer.

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable – Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Commission revenues are recorded by the Company when the services rendered.

Subsequent Event

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through February 10, 2017, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

See Independent Auditors' Report

JOSEPH GRACE HOLDINGS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(continued)

Income taxes

The Company has elected under Subchapter S of the Internal Revenue Code, to not be considered a taxable entity for federal income tax purposes. The state under which the Company is incorporated has similar provisions. Each shareholder is liable for the taxes on their share of the Company's profit or loss. However, the Company is subject to the New York State franchise taxes and New York City General Corporation tax. A provision for these taxes is reflected in the financial statement. The Company has determined that there are no uncertain tax positions which require adjustments or disclosure on the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amount that approximate fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of Comprehensive Income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others. During the year ended December 31, 2016, the Company did not have any components of Comprehensive Income to report.

Concentrations

The Company has revenue concentrations; the company specializes in sales of securities.

See Independent Auditors' Report

JOSEPH GRACE HOLDINGS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016  
(continued)

NOTE B – NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. There were no material inadequacies in the amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding Part IIA of the FOCUS report required under Rule 15c3-1.

NOTE C – POSSESSION OR CONTROL REQUIREMENTS

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exceptive provisions of SEC Rule 15c-3-3(k)(2)(ii) by promptly transmitting all customer funds or securities to the clearing broker who carries the customer accounts.

NOTE D – OTHER COMMITMENTS AND CONTINGENCIES

The Company has a cancelable operating lease on its New York Office space. As part of the lease, the Company pays for its share of telephone usage and other sundry services, as invoices by the building owner. The Company is on a yearly commitment and until either party notifies the other party of its intent to terminate the agreement, minimum future lease payments of this lease is approximately \$53,203 for the year ending after December 31, 2016.

NOTE E – RENT

The amount of rent for the year December 31, 2016 was \$50,403.00.

NOTE F – RELATED PARTY TRANSACTIONS

The Firm carries a Receivable From Partners. The Partners are Silvia Basilotta and Edward Tucker, whom are owners of the Firm. The nature of this transaction represents monies received by the owners as a distribution of revenue. There is no particular purpose to the Firm of the transaction, rather an accounting of cash flows to the partners. If removed, there would be no impact of this transaction to the financial statements. The removal would be accounted as a reduction to assets and a reduction to capital. In the past the Firm has adjusted these balances by such an entry and plans to do so in the future. The resulting effect, by it's nature, is incorporated into the financial statements. The removal of this transaction would have no effect or entry to the income statement.

See Independent Auditors' Report

## SUPPLEMENTARY INFORMATION

See Independent Auditors' Report

JOSEPH GRACE HOLDINGS, INC.  
COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15C3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2016

Credits:

Shareholder's equity	\$ 2,239,254
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Debits:

Non-allowable assets	<u>2,062,502</u>
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Net Capital before Haircuts	176,752
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Haircuts on securities	<u>(178)</u>
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Net Capital	176,574
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Minimum Net Capital	100,000
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Excess Net Capital	<u>\$ 76,574</u>
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Computation of aggregate indebtedness:

Accounts payable and accrued expenses	<u><u>\$ 865,218</u></u>
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Ratio of aggregate indebtedness to net capital	490.00%
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No material differences exist between the above computation and the computation included in the Company's corresponding unaudited FormX-17A-5 Part IIA filing

See Independent Auditors' Report

JOSEPH GRACE HOLDINGS, INC.  
SUPPLEMENTAL SCHEDULE REQUIRED BY RULE 17A-5  
AS OF DECEMBER 31, 2016

EXEMPTIVE PROVISIONS RULE 15c3-3

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(ii) in that the Company carries no margin accounts, promptly transmits all customer funds and delivers all securities received, does not otherwise hold funds or securities for or owe money or securities to customers and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

See Independent Auditors' Report

**REPORT ON BROKER DEALER EXEMPTION**

**For the year ended December 31, 2016**

See accountant's audit report

Edward Richardson, Jr., CPA  
15565 Northland Suite 508 West  
Southfield, MI. 48075

February 10, 2017

Board of Directors  
Joseph Grace Holdings, Inc.  
44 Wall Street  
12<sup>th</sup> Floor  
New York, NY 10005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

I have reviewed management's statements, included in the accompanying Representation Letter of Exemptions, in which (1) Joseph Grace Holdings, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Joseph Grace Holdings, Inc., claimed an exemption from 17 C.F.R. § 15c3-3(k)(2)(ii), and (2) Joseph Grace Holdings, Inc., stated that Joseph Grace Holdings, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception Joseph Grace Holdings, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

My review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Joseph Grace Holdings, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, I do not express such an opinion.

Based on my review, I'm not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Edward Richardson Jr CPA*

Edward Richardson, Jr., CPA



# JOSEPH GRACE HOLDINGS INC.

February 10, 2017

Edward Richardson, Jr. CPA  
15565 Northland Drive  
Suite 508 West  
Southfield, MI 48075

RE: Exemption Statement Rule 15c3-3 (k) (2) (ii) for FYE December 31, 2016

Dear Mr. Richardson Jr.


Please be advised that Joseph Grace Holdings, Inc. has complied with Exemption Rule 15c3-3 (k) (2) (ii), for the period of January 1, 2016 through December 31, 2016. Joseph Grace Holdings, Inc. did not hold customer securities or funds at any time during this period and does business on a limited basis (publicly registered non-trades REITS, and oil & gas partnerships). Joseph Grace Holdings, Inc.'s past business has been of similar nature and has complied to this exemption since its inception, November 1999

Edward Tucker, the president of Joseph Grace Holdings, Inc. has made available to Edward Richardson all records and information including all communications from regulatory agencies received through the date of this review December 31, 2016.

Edward Tucker has been responsible for compliance with the exemption provision throughout the fiscal year. Also, there were not any know events or other factors that might have affected Joseph Grace Holdings, Inc.'s compliance with this exemption.

If you would like additional information or have any questions, feel free to call me directly at (212) 461-2282.

Very truly yours,

  
Joseph Grace Holdings, Inc.  
Edward Tucker  
President

44 Wall Street, 12<sup>th</sup> Floor, New York, New York 10005

**REPORT ON SIPC ASSESSMENT RECONCILIATION  
FOR THE YEAR ENDED DECEMBER 31, 2016**

See accountant audit report

Edward Richardson Jr., CPA  
15565 Northland Drive  
Suite 508 West  
Southfield, MI 48075

Board of Directors  
Joseph Grace Holdings, Inc.  
44 Wall Street 12<sup>th</sup> Floor  
New York, NY 10005

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT ON SCHEDULE OF  
ASSESSMENT AND PAYMENTS

In accordance with Rule 17a-5©(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the period January 1, 2016 to December 31, 2016, which were agreed to by Joseph Grace Holdings, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and the SIPC, solely to assist you and other specified parties in evaluating Silicon Valley Securities, Inc. compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7). Joseph Grace Holdings, Inc.'s management is responsible for Joseph Grace Holdings, Inc. compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures were performed and our findings are as follows:

1. Compared the listed assessment payments represented on Form SIPC-7 with the respective cash disbursements record entries, including checks in the amount of \$3,993.00.
2. Compared audited Total Revenue for the period of January 01, 2016 through the December 31, 2016 (fiscal year-end) with the amounts reported on Form SIPC-7 for the same period noting no reportable reconciliation differences.
3. Compared any adjustments reported Form SIPC-7 with supporting schedules and work papers, to the extent such exists, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected on Form SIPC-7 noting no differences.
5. If applicable, compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed. According to our findings, Joseph Grace Holdings, Inc. had no reportable differences.

I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

See accountant audit report

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Edward Richardson Jr CPA*

February 10, 2017

See accountant audit report